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LINDQUIST

LINDQUIST & VENNUM

SURFACE TRANSPORTATION BOARD

Minneapolis • Denver

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September 19, 2011

Via e-file

Ms. Cynthia T. Brown
Director, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S. W.
Washington, DC 20423-0001

Re: Documents for Recordation
Our File no. 455367.0007

Dear Ms. Brown:

Please find enclosed for recordation the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The document is a Security Agreement, a "primary document" dated August 2, 2011.

The names and addresses of the parties to the documents are:

Secured Party: Convergent Capital Partners II, L.P.
505 N. Highway 169, Ste. 245
Minneapolis, MN 55441

Debtors: Progressive Rail Incorporated
Rail Retrievers Logistics, LLC
Central Midland Railway Company
Scott Land Company, LLC
Empire Builder Investments, Inc.
21778 Highview Ave.
Lakeville, MN 55044

A description of the equipment covered by the primary document is as follows:

Five (5) Electromotive SW 1500 Locomotives, Unit numbers PGR 36, PGR 37, PGR 67, PGR 74 and PGR 2347;

One (1) Electromotive SD39 Locomotive, Unit number PGR 40; and

One (1) Electromotive SD38-2 Locomotive, Unit number PGR 42.


A short summary of the document to appear in the index is as follows:

Security Agreement by and among Progressive Rail Incorporated, Rail Retrievers Logistics, LLC, Central Midland Railway Company, Scott Land Company, LLC, Empire Builder Investments, Inc. ("Debtors") located at 21778 Highview Avenue, Lakeville, MN 55044 and Convergent Capital Partners II, L.P. ("Secured Party") dated August 2, 2011 covering the Assets listed on Exhibit A.

The fee of \$41.00 will be charged to my account number 22974 with the Surface Transportation Board.

Please return evidence of the recording to my attention at the above address.

Very truly yours,



Sheila L. Holman

cc: Robert E. Tunheim

/slh
Enclosure

Exhibit A

Description of Locomotives **Five (5) Electromotive SW1500 Locomotives**

Count	Unit No.
1	PGR 36
2	PGR 37
3	PGR 67
4	PGR 74
5	PGR 2347

One (1) Electromotive SD39 Locomotive

Count	Unit No.
1	PGR 40

One (1) Electromotive SD38-2 Locomotive

Count	Unit No.
1	PGR 42

CORPORATE FORM OF ACKNOWLEDGMENT

I, Douglas E. Whiteley, certify that I am the Chief Financial Officer of Progressive Rail Incorporated, Rail Retrievers Logistics, LLC, Central Midland Railway Company, Empire Builder Investments, Inc. and Scott Land Company, LLC (the "Debtors"), that the seal affixed to the foregoing instrument is the seal of the Debtors, that the instrument was signed and sealed on behalf of the Debtors by authority of the Debtors' Boards of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Debtors. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on the 16 day of September, 2011

Douglas E. Whiteley
Douglas E. Whiteley

NO SEAL

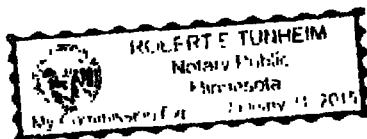
STATE OF MINNESOTA)
) SS:
COUNTY OF HENNEPIN)

ON THIS 16th day of September, 2011 before me personally appeared Douglas E. Whiteley, to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of the Debtors, that the seal affixed to the foregoing instrument is the seal of the Debtor, that said instrument was signed and sealed on behalf of the Debtors by authority of the Debtors' Boards of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the Debtors.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[Signature]
Notary Public

Notary Stamp



CORPORATE FORM OF ACKNOWLEDGMENT

I, Keith S. Bares, certify that I am the Manager of Convergent Capital II, LLC, the General Partner of Convergent Capital Partners II, L.P. (the "Secured Party"), that the seal affixed to the foregoing instrument is the seal of the Secured Party, that the instrument was signed and sealed on behalf of the Secured Party by authority of its General Partner, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Secured Party. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on the 16th day of September, 2011

Keith S. Bares
Keith S. Bares

NO SEAL

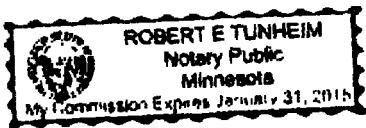
STATE OF MINNESOTA)

) SS:

COUNTY OF HENNEPIN)

ON THIS 16th day of September, 2011 before me personally appeared Keith S. Bares, to me personally known, who being by me duly sworn, says that he is the Manager of Convergent Capital II, LLC, the General Partner of Convergent Capital Partners II, LLC (the "Secured Party"), and being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the Secured Party by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Robert E. Tunheim
Notary Public

Notary Stamp

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made as of August 2, 2011 by and among Progressive Rail Incorporated, a Minnesota corporation (the "Company"), Rail Retrievers Logistics, LLC, a Minnesota limited liability company ("Rail Retrievers"), Central Midland Railway Company, an Indiana corporation ("CMR"), Scott Land Company, LLC, a Minnesota limited liability company ("Scott"), Empire Builder Investments, Inc., a Minnesota corporation ("Empire"), and Convergent Capital Partners II, L.P., a Delaware limited partnership ("Lender").

The Company, Rail Retrievers, CMR, Scott and Empire are each referred to in this Agreement as a "Borrower."

BACKGROUND

A. The Borrowers have requested extensions of credit from the Lender pursuant to the terms of a Loan Agreement dated of the date hereof by and among the Borrowers and the Lender (as it may be amended, modified, supplemented, increased or restated from time to time, the "Loan Agreement").

B. The Lender is willing to extend such credit to the Borrowers on the condition that the Borrowers grant the Lender a security interest in all assets of the Borrowers.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises set forth below, the parties agree as follows:

1. Definitions. Capitalized terms used in this Agreement and not otherwise defined herein have the respective meanings provided for in the Loan Agreement. All capitalized terms defined in the UCC and not otherwise defined herein have the respective meanings provided for by the UCC.

1.1 "Event of Default" means the occurrence of a Default under the Loan Agreement.

1.2 "Lien" means any lien, pledge, hypothecation, charge, mortgage, security interest, claim, encumbrance, or restriction of any nature.

1.3 "Obligations" means all of the indebtedness, obligations and liabilities of the Borrowers to the Lender, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Note, the Loan Agreement and the other Loan Documents.

1.4 "Permitted Liens" means any Liens granted to the Senior Lender under the Senior Credit Agreement.

1.5 "UCC" means the Uniform Commercial Code of the State of Minnesota.

2. Grant of Security Interest. Each Borrower grants to the Lender, to secure the payment and performance in full of all of the Obligations, a security interest in the following properties, assets and rights of the Borrower, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"):

All personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Borrower possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Borrower, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics.

The Lender acknowledges that the attachment of the security interest in any commercial tort claim as original collateral is subject to the Borrower's compliance with Section 4.5.

3. Authorization to File Financing Statements. Each Borrower irrevocably authorizes the Lender at any time and from time to time to file in any jurisdiction any initial financing statements and amendments thereto that (i) indicate the Collateral (A) as all assets of the Borrower or words of similar effect, or (B) as being of an equal or lesser scope or with greater detail, and (ii) contain any other information required by the UCC. Each Borrower agrees to furnish any such information to the Lender promptly upon request. Each Borrower also ratifies its authorization for the Lender to have filed in any jurisdiction any similar initial financing statements or amendments thereto if filed prior to the date hereof.

4. Other Actions. To further insure the attachment, perfection and priority of, and the ability of the Lender to enforce, the Lender's security interest in the Collateral, each Borrower agrees, in each case at the Borrowers' expense, to take the following actions with respect to the following Collateral:

4.1 Promissory Notes and Tangible Chattel Paper. If the Borrower at any time holds or acquires any promissory notes or tangible chattel paper, the Borrower will promptly endorse, assign and deliver the same to the Lender, accompanied by such

instruments of transfer or assignment duly executed in blank as the Lender may from time to time specify.

4.2 Deposit Accounts. For each deposit account that the Borrower at any time opens or maintains, the Borrower will, at the Lender's request and option, pursuant to an agreement in form and substance satisfactory to the Lender cause the depository bank to agree to comply at any time with instructions from the Lender to such depository bank directing the disposition of funds from time to time credited to such deposit account, without further consent of the Borrower.

4.3 Collateral in the Possession of a Bailee. If any goods are at any time in the possession of a bailee, the Borrower will promptly notify the Lender thereof. If requested by the Lender, the Borrower will promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to the Lender, that the bailee holds such Collateral for the benefit of the Lender and that the bailee will act upon the instructions of the Lender, without the further consent of the Borrower.

4.4 Electronic Chattel Paper and Transferable Records. The Borrower will promptly notify the Lender if the Borrower at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act (the "Electronic Signatures Act"), or in Section 16 of the Uniform Electronic Transactions Act (the "Electronic Transactions Act") as in effect in any relevant jurisdiction. At the request of the Lender, the Borrower will take such action as the Lender may reasonably request to vest in the Lender control of (i) such electronic chattel paper under Section 9-105 of the UCC or (ii) such transferable record under Section 201 of the Electronic Signatures Act or Section 16 of the Electronic Transactions Act, as applicable.

4.5 Commercial Tort Claims. If the Borrower at any time holds or acquires a commercial tort claim, the Borrower will immediately notify the Lender in a writing signed by the Borrower of the brief details thereof and grant to the Lender in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Lender.

4.6 Intellectual Property. To the extent the Borrower has any patents, patent applications, trademarks, trademark applications, copyrights, copyright applications, or similar intellectual property, the Borrower will deliver to the Lender a copyright security agreement, patent security agreement and trademark security agreement, in form and substance satisfactory to the Lender, and all other documents, instruments and other items as may be necessary for the Lender to file such agreements with the U.S. Copyright Office and the U.S. Patent and Trademark Office, as applicable. In the event the Borrower acquires or becomes entitled to any new or additional intellectual property, or rights thereto, the Borrower will give prompt written notice thereof to the Lender, and will amend (and authorizes the Lender to amend) the schedules to the respective security agreements or enter into new or additional security agreements to include any such new

or additional intellectual property. Each Borrower assigns, transfers and conveys to the Lender all Intellectual Property owned or used by the Borrower to the extent necessary to enable the Lender, effective upon the occurrence of any Event of Default, to realize on the Collateral and any successor or assign to enjoy the benefits of the Collateral. This right and assignment will inure to the benefit of the Lender and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. Such right and assignment is granted free of charge, without requirement that any monetary payment whatsoever including, without limitation, any royalty or license fee, be made to the Borrower or any other person by the Lender or any other Person.

4.7 Other Actions as to any and all Collateral. The Borrower agrees to take any other action reasonably requested by the Lender to insure the attachment, perfection and priority of, and the ability of the Lender to enforce, the Lender's security interest in any and all of the Collateral.

5. Representations and Warranties Concerning Borrower's Legal Status. The Borrowers, jointly and severally, represent and warrant to the Lender as follows: (i) each Borrower's exact legal name is indicated on Schedule 1 and on the signature page to this Agreement, (ii) each Borrower is an organization of the type and organized in the jurisdiction set forth in Schedule 1, (iii) Schedule 1 accurately sets forth each Borrower's organizational identification number or accurately states that the Borrower has none, (iv) Schedule 1 accurately sets forth each Borrower's place of business or, if more than one, its chief executive office as well as the Borrower's mailing address if different, and (v) all other information set forth in Schedule 1 pertaining to each Borrower is accurate and complete.

6. Covenants Concerning Borrower's Legal Status. The Borrowers, jointly and severally, covenant that (i) without providing at least 10 days prior written notice to the Lender, no Borrower will change its name, places of business, chief executive office, mailing address or organizational identification number, (ii) if a Borrower does not have an organizational identification number and later obtains one, the Borrower will promptly notify the Lender of such organizational identification number, and (iii) no Borrower will change its type of organization, jurisdiction of organization or other legal structure.

7. Representations and Warranties Concerning Collateral. The Borrowers, jointly and severally, represent and warrant to the Lender that (i) the Borrowers own the Collateral free from any Lien except for Permitted Liens, (ii) none of the account debtors or other persons obligated on any of the Collateral is a governmental authority subject to the Federal Assignment of Claims Act or any similar federal, state or local statute or rule in respect of such Collateral, and (iii) no Borrower holds any commercial tort claim except as indicated in Schedule 1.

8. Covenants Concerning Collateral. The Borrowers, jointly and severally, covenant that (i) the Collateral, to the extent not delivered to the Lender pursuant to Section 4, will be kept at the locations listed on Schedule 1, and no Borrower will remove the Collateral from such locations, without providing at least 10 days prior written notice to the Lender, (ii) except for the security interest herein granted and Permitted Liens, the Borrowers will own the Collateral free

from any Lien, and the Borrowers will defend the Collateral against all claims and demands of all persons at any time claiming the Collateral or any interests therein adverse to the Lender, (iii) except for Permitted Liens, no Borrower will pledge, mortgage or create, or suffer to exist a Lien on the Collateral in favor of any person other than the Lender, (iv) the Borrowers will keep the Collateral in good order and repair and will not use the Collateral in violation of law or any policy of insurance thereon, (v) the Borrowers will permit the Lender, or any designee, to inspect the Collateral at any reasonable time, wherever located, (vi) the Borrowers, jointly and severally, will promptly pay when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement, (vii) the Borrowers will operate their businesses in compliance with all applicable provisions of federal, state and local statutes and ordinances and (viii) no Borrower will sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except for sales of inventory in the ordinary course of business.

9. Insurance. Each Borrower will maintain insurance with financially sound and reputable insurers with respect to its properties and business against such casualties and contingencies in accordance with general practices of businesses engaged in similar activities in similar geographic areas. All policies of insurance will list the Lender as loss payee (or, in the case of liability insurance, list the Lender as additional insureds), provide for at least 30 days prior written cancellation notice to the Lender, and be in such forms and be for such periods as may be reasonably satisfactory to the Lender. In the event of failure by the Borrower to provide and maintain insurance as required by this Section, the Lender may, at its option, provide such insurance and charge the amount thereof to the Borrowers. The Borrowers will furnish the Lender with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

10. Collateral Protection Expenses; Preservation of Collateral.

10.1 Expenses Incurred by Lender. In its discretion, the Lender may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto and pay any necessary filing fees or, if any Borrower fails to do so, insurance premiums. Each Borrower agrees to reimburse the Lender on demand for any and all expenditures so made. The Lender will have no obligation to any Borrower to make any such expenditures, nor will the making thereof relieve any Borrower of any default.

10.2 Lender's Obligations and Duties. Anything herein to the contrary notwithstanding, each Borrower will remain liable under each contract or agreement included within the Collateral to be observed or performed by the Borrower thereunder. The Lender will not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Lender of any payment relating to any of the Collateral, nor will the Lender be obligated in any manner to perform any of the obligations of any Borrower under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Lender in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement. The Lender will not have any obligation to

present or file any claim or to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Lender or to which the Lender may be entitled at any time or times. The Lender's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, will be to deal with such Collateral in the same manner as the Lender deals with similar property for its own account.

11. Notification to Account Debtors and Other Persons Obligated on Collateral. If an Event of Default occurs and is continuing, each Borrower will, at the request of the Lender, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Lender and that payment thereof is to be made directly to the Lender, and the Lender may, without notice to or demand upon any Borrower, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, each Borrower will hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Borrower as trustee for the Lender without commingling the same with other funds of the Borrower and will turn the same over to the Lender in the identical form received, together with any necessary endorsements or assignments.

12. Power of Attorney. Each Borrower irrevocably constitutes and appoints the Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Borrower or in the Lender's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement, including, without limitation, the filing of financing statements with respect hereto, with or without the Borrower's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Lender may deem appropriate and to execute in the Borrower's name such financing statements and amendments thereto and continuation statements which may require the Borrower's signature. This power of attorney is a power coupled with an interest and is irrevocable. The powers conferred on the Lender hereunder are solely to protect its interests in the Collateral and do not impose any duty upon them to exercise any such powers.

13. Remedies. If an Event of Default occurs and is continuing, the Lender may, without notice to or demand upon any Borrower, declare this Agreement to be in default, and the Lender will thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC or the Uniform Commercial Code of any jurisdiction in which the Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose the Lender may, so far as any Borrower can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Lender may in its discretion require any Borrower to assemble all or any part of the Collateral at such location or locations within the jurisdictions of the Borrower's principal office or at such other locations as the Lender may reasonably designate. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, the Lender will give the Borrowers at least 10 business days prior written notice of the time and place of any public sale of Collateral

or of the time after which any private sale or any other intended disposition is to be made. Each Borrower acknowledges that 10 business days prior written notice of such sale or sales is reasonable notice. In addition, each Borrower waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Lender's rights hereunder, including, without limitation, the right following an Event of Default to take immediate possession of the Collateral and to exercise its rights with respect thereto.

14. Marshaling. The Lender will not be required to marshal any present or future collateral security (including but not limited to this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights hereunder and in respect of such collateral security and other assurances of payment will be cumulative and in addition to all other rights, however existing or arising.

15. Proceeds of Dispositions; Expenses. The Borrowers, jointly and severally, will pay to the Lender on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Lender in protecting, preserving or enforcing the Lender's or any Lender's rights under or in respect of any of the Obligations or any of the Collateral. After deducting all of such expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral will, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Lender may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Section 9-608(a)(1)(C) or 9-615(a)(3) of the UCC, any excess will be returned to the Borrowers, and the Borrowers will remain liable for any deficiency in the payment of the Obligations.

16. Overdue Amounts. Until paid, all amounts due and payable by any Borrower hereunder will be a debt secured by the Collateral and will bear, whether before or after judgment, interest at the rate of interest set forth in the Notes.

17. Governing Law. This Agreement will be construed under and governed by the laws of the State of Minnesota without regard to the conflicts of law principles of any jurisdiction.

18. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, warranties, covenants, or undertakings, other than those expressly provided for herein. This Agreement supersedes all prior agreements and undertakings between the parties with respect to such subject matter.

19. Amendments; Consents; Waivers. The Lender may by written agreement with the Borrowers amend this Agreement. No waiver of any term or condition of this Agreement, in any one or more instances, will constitute a waiver of the same term or condition of this Agreement on any future occasion.

20. Severability of Invalid Provision. If any one or more covenant or agreement provided in this Agreement is contrary to law, then such covenant or agreement will be null and void and will in no way affect the validity of the other provisions of this Agreement, which will otherwise be fully effective and enforceable.

21. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no Borrower may assign any of its obligations hereunder without the prior written consent of the Lender.

22. Counterparts. This Agreement may be executed in one or more counterparts, and will become effective when one or more counterparts have been signed by each of the parties.

23. Cumulative Remedies. The rights, remedies, powers and privileges provided in this Agreement are cumulative and not exclusive and will be in addition to any and all other rights, remedies, powers and privileges granted by law, rule, regulation or instrument.

24. Consent to Jurisdiction. AT THE OPTION OF THE LENDER, THIS AGREEMENT MAY BE ENFORCED IN ANY FEDERAL COURT OR MINNESOTA STATE COURT SITTING IN HENNEPIN COUNTY, AND EACH BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT ANY BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ALLEGING ANY BREACH OF THIS AGREEMENT, THE LENDER AT ITS OPTION IS ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES DESCRIBED ABOVE, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

25. Waiver of Jury Trial. EACH BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

* * * * *

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the day and year first above written.

THE BORROWERS:

PROGRESSIVE RAIL INCORPORATED

By: [Signature]
Its: President (Amr)

SCOTT LAND COMPANY, LLC

By: [Signature]
Its: President (Amr)

RAIL RETRIEVERS LOGISTICS, LLC

By: [Signature]
Its: President (Amr)

CENTRAL MIDLAND RAILWAY
COMPANY

By: [Signature]
Its: President (Amr)

EMPIRE BUILDER INVESTMENTS, INC.

By: [Signature]
Its: President (Amr)

THE LENDER:

CONVERGENT CAPITAL
PARTNERS II, L.P.

By: Convergent Capital II, LLC
Its: General Partner

By: [Signature]
Its: Manager

**SCHEDULE 1 TO
SECURITY AGREEMENT**

- | | | |
|----|---|--|
| 1. | Borrower's Exact Legal Name: | Progressive Rail Incorporated |
| 2. | Borrower's Type of Organization: | Corporation |
| 3. | Borrower's State of Organization: | Minnesota |
| 4. | Borrower's Organization
Identification Number: | 8Z-515 |
| 5. | Address of Borrower's Chief
Executive Office: | 21778 Highview Ave.
Lakeville, MN 55044 |
| 6. | Addresses of All of Borrower's
Places of Business: | None |
| 7. | Description of any Commercial
Tort Claims: | None |

[Note: Complete one for each Borrower]

**SCHEDULE 1 TO
SECURITY AGREEMENT**

- | | | |
|----|---|--|
| 1. | Borrower's Exact Legal Name: | RAIL RETRIEVERS LOGISTICS, LLC |
| 2. | Borrower's Type of Organization: | Limited Liability Company |
| 3. | Borrower's State of Organization: | Minnesota |
| 4. | Borrower's Organization
Identification Number: | 594380-2 |
| 5. | Address of Borrower's Chief
Executive Office: | 21778 Highview Ave.
Lakeville, MN 55044 |
| 6. | Addresses of All of Borrower's
Places of Business: | None |
| 7 | Description of any Commercial
Tort Claims: | None |

[Note: Complete one for each Borrower]

**SCHEDULE I TO
SECURITY AGREEMENT**

- | | | |
|----|---|---|
| 1. | Borrower's Exact Legal Name: | Central Midland Railway Company |
| 2. | Borrower's Type of Organization: | Corporation |
| 3. | Borrower's State of Organization: | Missouri |
| 4. | Borrower's Organization
Identification Number: | 2000123100029 |
| 5. | Address of Borrower's Chief
Executive Office: | 21778 Highview Ave.
Lakeville, MN 55044 |
| 6. | Addresses of All of Borrower's
Places of Business: | Att: Jordan Buck
1400 N. Warson Rd.
St. Louis, MO 63132 |
| 7. | Description of any Commercial
Tort Claims: | None |

[Note: Complete one for each Borrower]

**SCHEDULE 1 TO
SECURITY AGREEMENT**

- | | | |
|----|---|--|
| 1. | Borrower's Exact Legal Name: | Scott Land Company, LLC |
| 2. | Borrower's Type of Organization: | Limited Liability Company |
| 3. | Borrower's State of Organization: | Minnesota |
| 4. | Borrower's Organization
Identification Number: | 1201939-2 |
| 5. | Address of Borrower's Chief
Executive Office: | 21778 Highview Ave.
Lakeville, MN 55044 |
| 6. | Addresses of All of Borrower's
Places of Business: | None |
| 7. | Description of any Commercial
Tort Claims: | None |

[Note: Complete one for each Borrower]

**SCHEDULE 1 TO
SECURITY AGREEMENT**

- | | | |
|----|---|--|
| 1. | Borrower's Exact Legal Name: | EMPIRE BUILDER INVESTMENTS INC. |
| 2. | Borrower's Type of Organization: | Corporation |
| 3. | Borrower's State of Organization: | Minnesota |
| 4. | Borrower's Organization
Identification Number: | 7Z-740 |
| 5. | Address of Borrower's Chief
Executive Office: | 21778 Highview Ave.
Lakeville, MN 55044 |
| 6. | Addresses of All of Borrower's
Places of Business: | None |
| 7. | Description of any Commercial
Tort Claims: | None |

[Note: Complete one for each Borrower]